

**SECRET**

CMCC Doc. No. 151x5.1084

Copy 1 of 2

Page 1 of 2

April 29, 1958

Dear Dan:

Attached is the latest estimate of costs and estimate to complete by system and by customer. I would like to once more emphasize that some of the work contemplated under the estimates to complete runs well into the end of this year, and we should all recognize that changes may well occur. As I mentioned in our telephone conversation, certain assumptions had to be made relating to costs. These assumptions are as follows:

1. System 4 R&D - [ ] was deducted from the total R&D costs, and the remainder was divided equally between Customers A and C. The [ ] was charged to Customer A as was all of System 5.
2. Production costs for all systems - We took the costs through March 31, 1958, and added the estimate to complete and divided by the total number of units being produced to arrive at a unit cost. Each customer was then charged with the number of systems they received times the unit cost.
3. Data Reduction Equipment - R&D costs were all given to Customer A, and production costs were determined by 3- and 14-channel rack quantities based on actual equipment received by each customer.
4. System 2 - Costs and funding for work prior to 1 April 1957 were determined to be Customer A's. Costs after 1 April 1957, both R&D and production, are Customer B's.
5. System 6 - All costs are Customer A's.

Sincerely,

  
Sid

Attachment

DOCUMENT NO.  
NO. 151x5.1084  
CLASS. BY [ ]  
DATE 16/11/81  
REVIEWER 004540

**SECRET**

This document contains information affecting the national defense of the United States within the meaning of the Espionage Laws, Title 18 U.S.C., Section 793 and 794. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.